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FOR INFORMATION

PROGRESS REPORT ON THE AUDIT OF THE KENYA COUNTRY OFFICE

SUMMARY

The present progress report is submitted in accordance with Executive Board decision 1995/27 (E/ICEF/1995/9/Rev.1) adopted at the third regular Board session in September 1995.

* E/ICEF/1996/2.

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I. STATUS OF THE AUDIT INVESTIGATION

1. As reported at the third regular session of the Executive Board in September 1995 (see document E/ICEF/1995/AB/L.17), the audit investigation was completed by the end of July 1995. The eight additional cases identified by the audit team during the third phase are presently under review by the Division of Personnel and the United Nations Office of Legal Affairs.

2. There had been a total of 23 staff charged with fraud, one charged with mismanagement and one charged with misconduct, bringing the total number of staff involved to 25. Of those, as of 15 November 1995, 21 staff had separated from UNICEF - 17, including one representative, having been summarily dismissed, 3 staff having submitted resignations and 1 (representative) having opted for early retirement.

II. MANAGEMENT REFORMS IN THE KENYA COUNTRY OFFICE

3. The ongoing management reforms are on course. They have been prioritized by the representative according to the needs of the office. At the end of the exercise, the various instructions and guidelines will be constituted into two internal control manuals (operations and programmes) which will form the basis for the day-to-day operations in the office. The assistance of the Office of Internal Audit is being sought to review the various instructions and guidelines and to suggest improvements where necessary.

4. As of October 1995, six sub-offices have been closed and staff appointments have been terminated. There is only one active sub-office. The total staffing level has been reduced to 90.

5. The planned cut-back of office space in the Kenya country office, Nairobi, is under consideration and will soon be completed.

III. STRENGTHENING ACCOUNTABILITY AND INTERNAL CONTROLS

A. Revised delegation of authority

6. An Internal Control Panel has been approved by the representative, and certifying, authorizing, approving and paying officials have received relevant guidelines.

B. Financial monitoring and reconciliations

7. Some steps have already been taken, including detailed on-site consultations with Programme Division regarding reconciliation with the programme budget. Reconciliation of personnel and other financial accounts is ongoing. A review of the various donations-in-kind, supplies and equipment is required for proper accounting and possible recovery.

IV. STREAMLINING PROGRAMME DELIVERY

A. Cash assistance

8. The recovery of long-outstanding cash assistance advances to government counterparts and non-governmental organizations is being vigorously pursued. However, due to the poor state of the accounts data, the liquidation process will continue over the next months. Advances will only be given to those projects without outstanding advances or where it can be shown that active follow-up is being undertaken.

B. Supply assistance

9. Overpayment to suppliers is being actively followed up by the Kenya country office.

10. Since July, most programme supplies have been moved from the warehouse to the concerned ministries or beneficiaries. The remaining stocks have been shifted to a transit facility. Other stocks have been sold either to other programmes of UNICEF/World Food Programme, or auctioned through public bidding.

11. Most legal suits against the organization have been cleared. Some claims are being forwarded to the Office of Administration and Management for guidance.